STATE OF HAWAI'I DEPARTMENT OF LAND AND NATURAL RESOURCES

Division of State Parks Honolulu, Hawai'i 96813

August 12, 2011

Board of Land and Natural Resources State of Hawai'i Honolulu, Hawai'i

Kaua'i

Request for approval to issue a single revocable permit to Pepsi Bottling Group, LLC. to operate up to two (2) vending machines for Business and/or Commercial Purposes, Wailua River State Park, Wailua, Kauai, Tax Map Key: (4) 3-9-004:010

REQUEST:

Request for approval to issue a single revocable permit to Pepsi Bottling Group, LLC., to operate up to two (2) vending machines for Business and/or Commercial Purposes, Wailua River State Park, Wailua, Kauai, Tax Map Key: (4) 3-9-004:010

LEGAL REFERENCE:

Sections 171-13, 55 and other applicable sections of Chapter 171 and, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands at the Wailua Marina, Wailua River State Park situated at Wailua, Lihue (Puna), Kauai, identified by Tax Map Key: (4) 3-9-004 Parcel 10, as shown on the attached tax map key labeled Exhibit A.

AREA:

.139 acres, more or less, subject to confirmation by the Department of Accounting and General Services, Survey Division.

ZONING:

State Land Use District: Conservation
The property is zoned CN, Neighborhood Commercial.

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act				
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution:	YES	NO	X	

CURRENT USE STATUS:

Vacant and encumbered by Governor's Executive Order No. 2023 to the Division of State Parks for addition to the Wailua River State Park.

CHARACTER OF USE:

Business and/or commercial use.

TERM:

Month to month.

COMMENCEMENT DATE:

Upon execution of the revocable permit by the Chairperson; and further provided that the Chairperson may amend the commencement date for good cause.

MINIMUM FEE PAYMENT:

Thirty-five (35%) of the gross sales of all beverages.

METHOD OF PAYMENT:

Monthly payments shall be due by the 25th day of the following month together with a report indicating the total beverages sold.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

State Parks believes that this project will have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment under Chapter 343, Hawaii Revised Statutes (HRS) and §11-200-8(a)(1), Hawaii Administrative Rules (HAR) and within exemption Class 1, Numbers 2 and 6 of the State Parks Exemption List which exempts operations involving negligible or no expansion or change of use beyond that previously existed within park boundaries [February 5, 1976].

REMARKS:

On June 23, 2011 (Item E-1), the Board approved the sale of three (3) concession leases by means of sealed bid auction for the vacant spaces in the Marina Building A at the Wailua Marina State Park. This request is to issue a revocable permit for the operation of up to two (2) vending machines outside Bay 3 to allow the visitors to the park the opportunity to purchase cold beverages until such time as the concession leases are in place and the building is fully occupied.

The beverages prices are as follows:

Product	Vending	Commission Rate	
	<u>Price</u>		
20 oz carbonated soft drinks	\$1.50	35%	
20 oz Gatorade and Sobe	\$1.50	35%	
Energy Drinks	\$2.50	35%	

RECOMMENDATION: That the Board:

- 1. Declare that after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
- 2. Authorize the issuance of a revocable permit to Pepsi Bottling Group, LLC., to sell beverages using vending machines in the area depicted in Exhibit A for business and/or commercial purposes under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - a. The standard terms and conditions of the most current revocable permit form, as may be amended from time to time;
 - b. Review and approval by the Department of the Attorney General; and
 - c. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

DANIEL S. QUINN State Parks Administrator

APPROVED FOR SUBMITTAL:

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WILLIAM J. AILA, JR., Chairperson

Attachments

Exhibit A

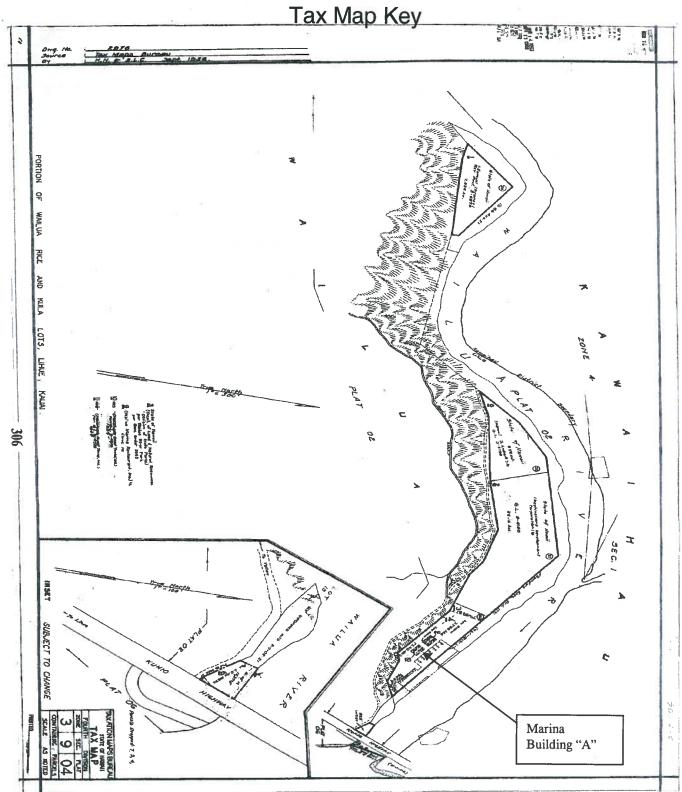


Exhibit B — Building A
Wailua Marina State Park Retail Concession
Bays 1-3

